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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
09/195,332	11/18/98	KALYAN	V 020431.0328

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EXAMINER

NGUYEN, N

ART UNIT	PAPER NUMBER
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2764

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DATE MAILED: 08/02/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
09/195,332

Applicant(s)

Kalyan

Examiner

Nga B. Nguyen

Group Art Unit
2764



☒ Responsive to communication(s) filed on May 12, 2000

☒ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire three month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claim

- ☒ Claim(s) 1-19 is/are pending in the application.
- Of the above, claim(s) _____ is/are withdrawn from consideration.
- ☐ Claim(s) _____ is/are allowed.
- ☒ Claim(s) 1-19 is/are rejected.
- ☐ Claim(s) _____ is/are objected to.
- ☐ Claims _____ are subject to restriction or election requirement.

Application Papers

- ☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.
- ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- ☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.
- ☐ The specification is objected to by the Examiner.
- ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- ☐ All ☐ Some* ☒ None of the CERTIFIED copies of the priority documents have been
- ☐ received.
- ☐ received in Application No. (Series Code/Serial Number) _____.
- ☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____

- ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- ☐ Notice of References Cited, PTO-892
- ☐ Information Disclosure Statement(s), PTO-1449, Paper No(s) _____
- ☐ Interview Summary, PTO-413
- ☐ Notice of Draftsperson's Patent Drawing Review, PTO-948
- ☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

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DETAILED ACTION

1. This Office Action is in response to the communication filed on May 12, 2000, which paper has been placed of record in the file.
2. Claims 1-19 are pending in this application.

Response to Arguments

3. Applicant's arguments with respect to claims 1-19 have been considered but are not persuasive.

According to State Street, "To be patentable, an algorithm must be applied in a useful way". Regarding to claim 1, the final step in claim 1 is calculating, that's still part of the algorithm. The results of the calculation are not used and thus not "applied" to anything in the real world. Similarly in claims 6 and 11, in the final step, it is merely calculating. There is nothing that uses the results of the calculation. Therefore, there is no "practical application" of the algorithm in claims 1, 6, and 11. Regarding to claim 16, although a computer readable medium are patentable subject matter under 35 USC § 101, but see In re Sarkar, 588 F.2d 1330, 1333, 200 USPQ 132, 137 (CCPA 1978), "Each invention must be evaluated as claimed; yet semantogenic considerations preclude a determination based solely on words appearing in the claims. In the final analysis under 101, the claimed invention, as a whole, must be evaluated for what it is." (Quoted with approval in Abele, 684 F.2d at 907, 214, USPQ at 687). See also In re Johnson, 589 F.2d 1070, 1077, 200 USPQ 199, 206 (CCPA 1978) ("Form of the claim is often an exercise in

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drafting"). Thus, the same conclusion that there is no "practical application" of the algorithm in claim 16. Therefore, Examiner decides to maintain the *35 USC § 101* rejection on claims 1-19, and make this action FINAL.

4. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-19 are rejected under 35 U.S.C 101 because the claimed invention is directed to non-statutory subject matter.

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The claims, as presently claimed and best understood were reconsidered in light of the “Examination Guidelines for Computer-Related Inventions” and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

The invention, as defined by the claims and as best understood does merely manipulate an abstract idea and solve a purely mathematical problem without any limitation to a “practical application” in the technological arts. The invention is implemented on a computer; therefore, the invention is directed to the technological arts. However, the claimed invention is directed essentially to a method of valuing products by calculating demand probability values, component values, prorated values and a value for each product using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory, In re Richman, 195 USPQ at 340 (CCPA 1977). Moreover, since the method of solving a mathematical equation cannot be patented, it follows that the addition of old and necessary antecedent steps of establishing values for the variables in the equation cannot convert the unpatentable method to patentable subject matter, In re Christensen, 178 USPQ at 35 (CCPA 1973). Even if, the necessary and antecedent steps are novel and unobvious, they merely determine values for equation variables, and do not suffice to render claimed method statutory subject matter, In re Chatfield, 191 USPQ at 730 (CCPA 1976).

It is for these reasons that the claims are deemed to be non-statutory.

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Conclusion

7. Claims **1-19** are rejected.
8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nga B. Nguyen, whose telephone number is (703) 306-2901.

The examiner can normally be reached on Monday-Thursday from 7:30 AM-5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on (703)305-9768.

9. Any response to this action should be mail to:

Commissioner of Patents and Trademarks

c/o Technology Center 2700

Washington, D.C. 20231

or faxed to:

(703) 308-9051, (for formal communications intended for entry)

or:


(703) 308-5397 (for informal or draft communications, please label
"PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park II,
2121 Crystal Drive, Arlington.
VA., Sixth Floor (Receptionist).

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703)305-3900.

Nga B. Nguyen
July 25, 2000



ROBERT A. WEINHARDT
PRIMARY EXAMINER